



STATE OF CONNECTICUT

**Testimony of Donald DeFronzo  
Commissioner of Administrative Services**

165 Capitol Avenue  
Hartford, CT 06106-1658

**Joint Committee on Appropriations  
February 25, 2011**

Good morning Senator Harp, Representative Walker, Senator Kane, Representative Miner and distinguished members of the Committee. My name is Don DeFronzo and I am the Commissioner of the Department of Administrative Services.

DAS is a diverse agency that operates under the authority granted by numerous statutes. DAS currently employs over 330 employees. Our FY10 General Fund expenditures, including the workers' compensation claim funds that fall under DAS, totaled \$65,216,656. Other expenditures, including those funded by the Special Transportation Fund, the Revolving Fund, and federal dollars brought DAS's FY10 total expenditures to \$86,908,691. While in terms of the number of employees and budget, DAS is a mid-sized agency, its administrative reach and impact is substantial. We have major functional responsibility in a number of areas, including:

- Statewide fleet management (C.G.S. § 4a-5);
- Procurement of goods and services for most state agencies (Chapter 58);
- Surplus Property Distribution for personal - not real - state property (C.G.S. § 4a-4);
- State Construction Contractor Prequalification (C.G.S. § 4a-100, *et seq.*);
- Statewide personnel recruitment and testing (Chapter 67);
- Management of the state's classification system, and implementation and enforcement of the State Personnel Act (Chapter 67);
- Collection services (C.G.S. § 4a-12, among other statutes);
- Operation of the Small Agency Resource Team (SmART) and the Consolidated Business Office, which provide personnel, payroll, affirmative action and business office services to over 20 small and mid-sized state agencies and offices (P.A. 05-251, Section 60 (c)); and
- Workers' Compensation Administration for state employees (C.G.S. § 31-284a).

In addition, DAS is a partner with the Office of the State Comptroller in Core-CT, which is the state's central payroll, human resources, and fiscal system.

Since the fall of 2009, DAS has also provided staff support to the State Marshal Commission, the State Properties Review Board, the State Insurance & Risk Management Board, and the Office of the Claims Commissioner.

I am happy to meet with any member of the Committee to discuss DAS's current mission and the services that we provide in greater detail, and I understand that we will be examining DAS programs and funding in our Subcommittee work sessions. For today's purposes, I'd like to provide the Committee with highlights of some of the agency's recent achievements.

The DAS Collections Unit last year broke the \$1.2 billion mark. The vast majority of these funds include federal reimbursements, but DAS Collections also recovers money owed to the State of Connecticut from claims against individuals and estates. We have a legislative proposal this year that will clarify and make consistent some of the collection statutes to make the recovery process more efficient and fair, and we anticipate this proposal will also bring in additional revenues.

In addition to Collections, all DAS units have focused on efficiency and cost-savings in recent years. DAS Fleet Operations has achieved some significant economies by reducing the size of the fleet from 4,576 vehicles in 2008 to approximately 3,500 today. Also the number of dedicated staff in Fleet has fallen from 77 in 2003 to 43 today. Still, we will continue to search for additional savings in the areas of parts management, fuel usage, vehicle procurement and related activities.

DAS Procurement has also achieved significant savings for the state. In 2010, Procurement reviewed all state contract (we currently have 824 active contracts) to determine which could be cancelled, renegotiated, or placed on a "do not order" list. This effort, in combination with Procurement's use of various purchasing methodologies such as reverse auctions, cooperative purchasing, competitive bidding and competitive negotiations, achieved approximately \$33 million in contract cost reductions for state agencies. DAS is, of course, continuing to seek out additional savings in the area of contracting.

The Workers' Compensation unit processed more than \$109 million in state employee claims in 2010, with 6,699 new claims being filed last year. The unit conducts worker training and safety programs designed to mitigate claims and in 2010 the number of new claims filed dropped by 13.9%. Other initiatives in this unit resulted in savings and repayments of almost \$4 million. Moving forward, we want to increase prevention efforts, extend central processing services to many small state agencies to decrease error rates, and better coordinate the work of the Workers' Compensation unit and the State Insurance and Risk Management Board.

Perhaps the most rapidly growing units in the agency are the DAS Business Office and the Small Agency Resource Team - otherwise known as "SmART." These units have grown to provide back office business office functions for 21 small and mid-sized agencies, and human resources, payroll and affirmative action services to 23 agencies. In the process, these units have achieved significant economies in staffing and improved performance rates as measured by fewer processing errors.

SmART and the DAS Business Office embody the state's current effort to improve performance and increase efficiencies by using the shared services model of government organization.

As you all know, Governor Malloy has put forward a number of proposals to significantly expand the shared services model. In an effort to achieve efficiencies throughout the state, to eliminate duplicative government activities, and to balance the need for centralized policy development, control functions and budget with the appropriate level of decision-making at the agency level, the Governor has recommended a number of agency consolidations. Since DAS is a service agency providing support to other government departments and branches, it makes sense that DAS would play a prominent role in this effort.

One of the more significant consolidation proposals put forth by the Governor is the consolidation of the Department of Information Technology (DOIT) and parts of the Department of Public Works (DPW) into DAS. As a result of this consolidation, the Governor has recommended significant increases in DAS's personal services, OE and other budgetary line items for the agency. DAS's proposed personal services budget for FY12 is increasing from \$21,470,528 to \$43,809,488, and our proposed OE is budget is increasing from \$800,143 to \$34,876,197.

Because DAS, DPW and DOIT are three central administrative agencies that provide support to other governmental offices, there are significant affinities among the existing departmental functions.

Under the new structure, DPW business office, legal, legislative, information technology (IT) and communication functions will be merged with those of DAS. DPW Procurement – including the leasing unit, the bids and contracts unit, and the legal unit supporting leasing, construction contracting, bids, etc. – will also be merged into DAS Procurement. DPW and DAS facility and property management functions, along with services to the Executive Residence, will be consolidated in DAS. Resources dedicated to the preparation of DPW's annual state facilities plan will be transferred to OPM to strengthen statewide facility and capital planning efforts.

The DPW Design and Construction Unit will be relocated to a new independent Office of Construction Services within the Executive Branch. Units in other state agencies that perform similar or related functions will be merged into this new independent office, such as resources from the Department of Education that currently provide design and construction services for K-12 school construction, and resources from the Department of Public Safety relating to Code enforcement.

DOIT procurement, business, legal, legislative, and communication functions will also be merged with those of DAS. DOIT functions related to the provision of IT services to other state agencies will be moved to the Bureau of IT Support Services in DAS with a shared services component positioned in a DAS IT Small Agency Resource Team (SmART). Additionally, a number of IT managers currently employed by DOIT but providing IT services to other state agencies will be re-

assigned to those line agencies to strengthen agency IT planning and decision-making capability at that level.

We plan to create a DAS Bureau of IT Support Services, which will also include a DOIT Enterprise Unit, housing the technical IT units currently at DOIT. This includes management of the state's Data Center, Computer Operations, Network Distribution Systems, DOIT's \$93 million state-wide Broadband ARRA Stimulus project, the Criminal Justice Information System (CJIS), the Help Desk, IT Security and IT Project Management.

Functions pertaining to DOIT's central role in determining statewide information technology policy, IT operational needs, quality standards, interoperability requirements, system architecture, security and other criteria will be relocated to OPM with appropriate staff. This will reunify statewide IT policy development and IT strategic planning with budget authority and fiscal controls already existing in OPM, thereby eliminating the fragmented, multi-layered and time-consuming administrative structure currently in place.

I have included some organizational charts that functionally depict the new consolidated agency for the Committee's information and review.

The consolidation proposal put forth by the Governor will eliminate layers of bureaucracy in existing agencies, achieve greater efficiencies in the provision of central administrative services, promote the functional consolidation of government, and encourage better formulation of statewide policy, policy implementation and control in the areas of space planning, management services and information technology.

This consolidation will be challenging, but DAS is confident that we can achieve the goals that Governor Malloy has set out to achieve, while maintaining and even improving the provision of services to our clients.

Thank you for you for the opportunity to speak with you today and I look forward to your questions.

**Legislative/Legal**

This will be formed by combining the existing DAS Legal and Legislative staff with the DPW Legal and Legislative staff.

**Communications**

This will be formed by combining the existing DAS Communications division with DoIT and DPW Communications staff. Additionally State telephone operators at DoIT will join this unit.

**Bureau of Information Technology Support Services**

This will be formed by combining the existing DAS IT division with DPW IT staff. The current DoIT Enterprise division will be included in this Bureau, as well as DoIT Project Management and DoIT state wide projects including CJS and the Broadband ARRA project. A new IT SMART unit will be formed to service other agencies. DoIT Business Development Staff will be re-assigned to line agencies.

**Business Services**

This will be formed by combining the existing DAS Business Division (which includes SMART agency services) with DPW Accounts Payable/Receivable and Budget staff, DPW Project Accounting, DoIT Fiscal Management, DoIT Accounts Payable/Receivable and Purchasing, and DoIT Telecom Accounting.

**Facility Management**

This will be formed using the existing DPW Facility Management Division and adding the DAS Property Management unit, DPW Executive Residence unit, DPW Safety & Security, and DoIT Building Security and Central Receiving Division.

**CHART 1**

DAS Agency Reorganization Concept Chart for Those Areas Created by or Affected by Consolidations of Staff or Functions 2/1/2011

State Property Review Board

The State Property Review Board will remain intact as part of DAS.

DAS SMART EEO

The DAS SMART EEO Unit will remain intact and provide services to the newly formed agency

DAS SMART Payroll

This will be formed using the existing DAS SMART Payroll Unit and adding the DoIT payroll unit staff

DAS SMART HR

This will be formed using the existing DAS SMART HR Division and adding the DoIT HR Unit

Office of Strategic Procurement

This will be formed using the existing DAS Procurement Division and adding DPW Leasing Acquisition & Property Transfer, DPW Bids & Contracts, DPW Contracts and Real Estate (Legal), DoIT Legal (related to Procurement), and DoIT Procurement .

Judicial Selection Committee

Affirmative Action Plan Review from CHRO

OPM

OPM Asset Mgt

OPM Office Information  
Technology Strategic  
Planning and Oversight

OPM to create an  
Asset Management  
Division under which  
DPW Long Term  
Facility Planning  
would be  
administered

OPM to create an  
Office of Long Range  
IT Planning & Project  
Management. The  
office would  
encompass DoIT  
Architecture &  
Standards.

Information Technology  
Council

Department of Construction Services (NEW)

A new agency will be formed using the  
existing DPW Construction Design &  
Project Management Division and  
include DPW's Project Management,  
Claims Manager and Process  
Management Units.

Department of Public Safety Code  
Enforcement and Building Inspection  
functions, including Bureau of  
Engineering, License and Permits Unit,  
Office of State Building Inspector, and  
Office of Education and Data  
Management, will be relocated to this  
new agency.

The Bureau of School Facilities will be  
relocated from Department of Education  
to this new agency.

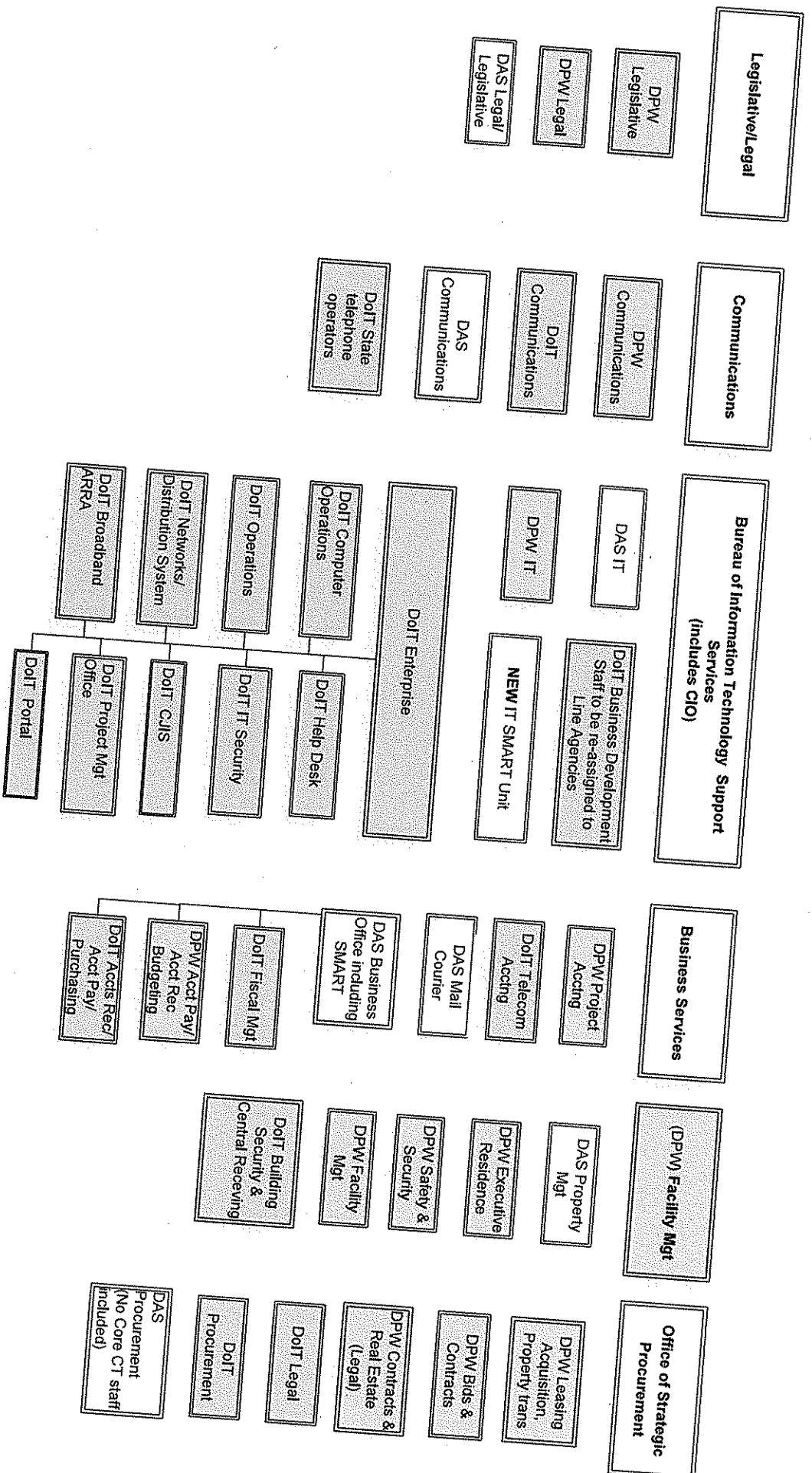


CHART 2

DAS Agency Reorganization Showing Constituent Units Forming or Creating Divisions by the Consolidation 2/1/2011



DAS SMART EEO

DAS SMART Payroll

Dolt Payroll

DAS SMART HR

Dolt HR

State Property Review  
Board

Judicial Selection  
Committee

Affirmative Action Plan  
Review from CHRO

OPM

OPM Asset Mgt

DPW Long Term  
Facility Planning

OPM Office of Information  
Technology Strategic  
Planning and Oversight

DoIT Long Range IT  
Plan  
• Architecture  
and Standards

Information Technology  
Council Chaired by CIO

Department of Construction Services (NEW)

DPW Construction Design  
and Project Mgt

DPS State Building  
Inspectors

DPW Claims Manager and  
Process Mgt Unit

DPS Office of Education and  
Data Mgt

DPS Bureau of Engineering  
(Including Fire Life Safety  
Functions)

DOE Bureau of School  
Facilities

DPS License and Permits  
(Bureau of Investigation and  
Enforcement, License and  
Permits Unit)